GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:135
ANSWERED ON:03.03.2000
WITHDRAWAL OF RS. 500/- CURRENCY NOTES
ANNA SAHEB M.K. PATIL

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that many business establishments/ shops are refusing to accept Rs.500/- currency notes;

(b) whether the Government are also aware of the hardships being faced by the people as a result of this refusal;

(c) if so, the measures proposed by the Government to mitigate the grievances of the people;

(d) whether the Government are seriously considering to replace Rs.500/- currency notes with a view to stopping the circulation of fake currency notes in the country;

(e) if so, the details thereof;

(f) the time by which a final decision in this regard is likely to be taken; and (g) if not, the reasons therefor ?

Answer

Minister of Finance (SHRI YASHWANT SINHA)
(a),(b) & (c): A few instances of some business establishments/shops refusing to accept Rs.500 denomination notes have been brought to the notice of Reserve Bank of India.RBI has alreadyclarified through the print and electronic media that all the Rs.500 notes issued by it continue to be legal tender and should, therefore, be accepted for all transactions. Public sector banks have been asked to instruct all their branches to continue to freely accept Rs.500 notes for all transactions. RBI has been asked to issue similar instructions to all the banks in the country.

(d): No such proposal is under consideration at present.

(e) & (f): Does not arise.

(g): The number of fake currency notes of Rs.500 denomination detected so far is miniscule as compared to the notes in circulation and the Government has already initiated adequate steps to check the menace. -